



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

450 N Street
Sacramento
California 95814

BETTY T. YEE
Acting Member, BOE
First District

RAMON J. HIRSIG
Executive Director

FOR IMMEDIATE RELEASE

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Contact: Anita Gore
Communications Office
(916) 327-8988
Website: <http://www.boe.ca.gov>

**YEE ANNOUNCES STRONG TAXABLE SALES
INCREASE IN 4TH QUARTER 2004**

Today Board of Equalization (BOE) Acting Member Betty T. Yee released preliminary statewide data showing that taxable sales increased an estimated seven percent in the fourth quarter of 2004 compared to the fourth quarter of 2003. Holiday season purchases boosted taxable sales to approximately \$131.3 billion during this period.

Quarterly growth rates of both taxable sales and California personal income have generally increased since mid-2002 (see attached chart). The increasing growth has paralleled expansions in other important California economic indicators such as nonagricultural employment and building permits.

In the last quarter of 2004, growth in taxable sales was very close to that of personal income. For most of the preceding quarters of 2003 and 2004, taxable sales growth has been much stronger than personal income.

Recent taxable sales and their year-to-year percent changes are shown below:

	<u>1st Qtr.</u>	<u>2nd Qtr.</u>	<u>3rd Qtr.</u>	<u>4th Qtr.</u>
Taxable Sales (millions)				
2001	104,176	112,318	109,283	115,740
2002	100,957	111,017	112,170	116,805
2003	104,453	114,478	118,466	122,700
2004	113,887	125,012	123,359 (est.)	131,335 (est.)
Year-to-Year Percent Change				
2001	4.3	1.2	-2.9	-2.3
2002	-3.1	-1.2	2.6	0.9
2003	3.5	3.1	5.6	5.0
2004	9.0	9.2	4.1(est.)	7.0 (est.)

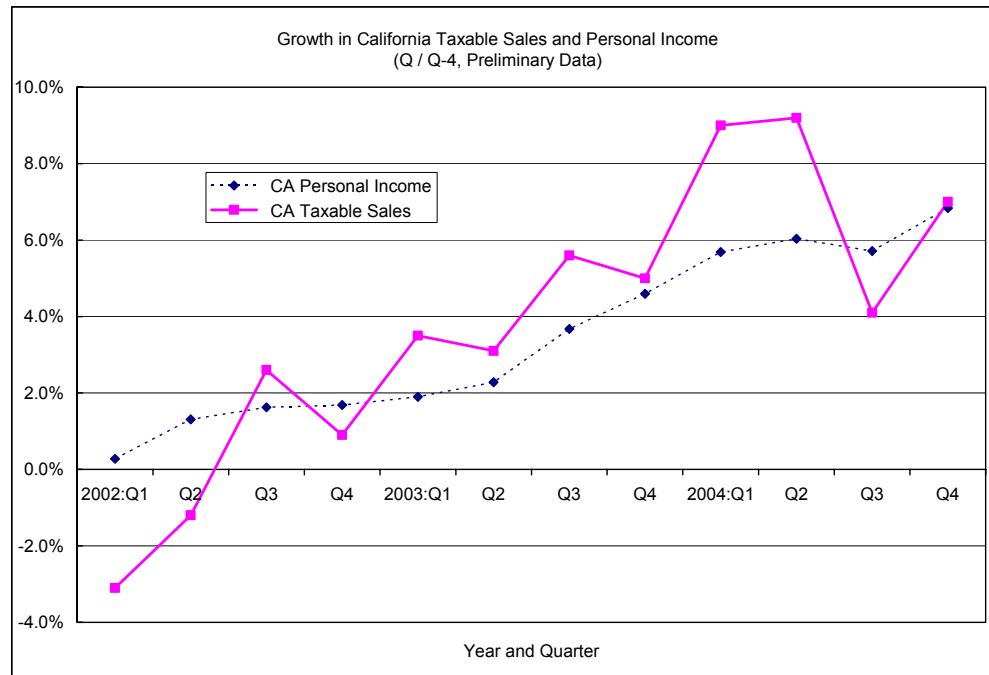
These third quarter 2004 figures are preliminary, based on raw sales tax receipts tabulated before adjustments for any late tax returns. Figures for cities and counties will not be available for another nine months.

Acting Board Member Betty T. Yee, of San Francisco, assumed the First District seat on the Board of Equalization in 2004.

The five-member Board of Equalization is a publicly elected tax board. The Board collects

more than \$44 billion annually in taxes and fees supporting state and local government services. It also acts as the appellate body for business tax appeals, franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property tax.

Other Board Members include Bill Leonard of Sacramento/Ontario, Second District; Claude Parrish of Long Beach, Third District; Chairman John Chiang of Los Angeles, Fourth District and State Controller Steve Westly.



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